



IT & CHANGE MARKET REPORT

Q2 2017

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Regulatory Change Update

Regulatory driven Change Initiatives will continue to be one of the main areas of investment across our Financial Services clients, whilst technology innovation, both in Banking and Insurance, looks set to continue. Here we look at some of the key trends and spending patterns that our industry clients will be focusing on in 2017.

The numerous regulatory commitments (particularly around reporting, transparency, structural reform and ring-fencing) facing clients across the Banking, Wealth / Asset Management and Insurance sectors will continue to drive the demand for hires that we saw in 2016. Business Analysts, Project Managers and those with Programme / Portfolio Delivery Manager skill sets will be in the highest demand.

Depending on deadlines, we have seen a surge in rates and salaries for people with specific framework knowledge. The closer the regulatory deadline, the higher the cost of taking on a specialist. This is particularly evident with IFRS 9 (Jan 2018 deadline) and MiFID II (Jan 2018 deadline). Additionally, we anticipate higher volumes of Basel III (March 2019 deadline) initiatives in 2017.

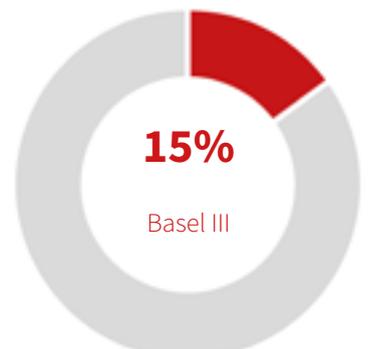
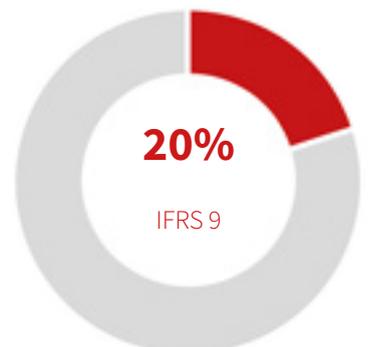
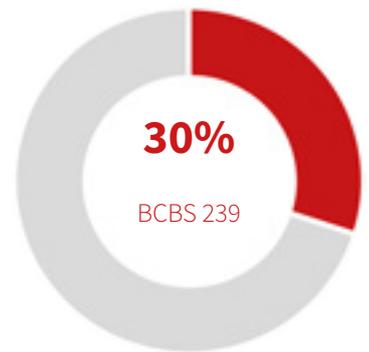
We are also seeing high demand for niche specialists across the following regulatory and structural change areas: Client / Customer onboarding, MIFID II, IFRS 9, Basel III and BCBS 239 as demonstrated in the charts to the right.

Outside of the Regulatory landscape, some other key Change driven programmes of work have been:

- CRM Capability Enablement
- Distribution Analytics
- Core Banking Processing
- Cost efficiency
- New Target Operating Models (mainly due to Mergers & Acquisitions)
- HR Transformations

We have seen demand increase at all levels – from entry level analysts to project and programme management. Dependent on specific or niche requirements (a particular CRM system for example), salaries and daily rates have been fairly static.

Regulatory Change Volumes



“The future of Financial Services as an industry will be deeply impacted by the advancement towards full scale automation”



Technology

IT Automation, Business Intelligence & Data, Cyber Security, Digital, DevOps, Software Development and Back Office Consolidation / IaaS have been core areas of focus for our Financial Services clients for a number of years now. This drive looks set to continue as organisations change the way they interact with customers, and how they interpret and use data to gain competitive advantage as they continue to standardise and consolidate legacy platforms.

Digital platform clients are seeking HTML5 and JavaScript UI Designers and Agile Developers, in addition to Scala and Angular.js.

We have also seen demand for Software Developers with experience of Big Data technologies, (such as Spark and Hadoop) in conjunction with the main stream languages like Java, Python, Scala, C++ and C#, as well as skills with Docker / Automation Tools (automatic sharing and syncing of content and containers). However, rates and salaries have remained relatively static in this space as they are now somewhat “historical” skill sets with good volumes of supply versus demand.

Some of the biggest programmes of work we are seeing currently include Data Management and Modernisation, with skill sets ranging across the following disciplines:

Data Visualisation, Client Reference Data, Data Quality, Data Lineage, ETL, Qlikview, Spark, Kafka, Flume, Power BI, Tableau, CRM, Bloomberg AIM.

We have seen a steady increase in both contractor daily rates and permanent packages for the Data Science vertical, especially for people with knowledge of emerging data software providers.

Investment Banking continues to focus on improving latency of their infrastructures, both from an internal

systems point of view, but also via third parties and co-lo providers. Additionally, DevOps features frequently, with firms trying to get their software into production support in the most cost and time efficient manner possible. Java Developers with experience of low latency and eTrading continue to be of interest. Hedge Funds are also heavily investing in the improvement of their latency, however C++ and Python are the key skills within this area. Strong remuneration and good bonuses have meant a shortage of active candidates which has driven basic salaries and daily rates up.

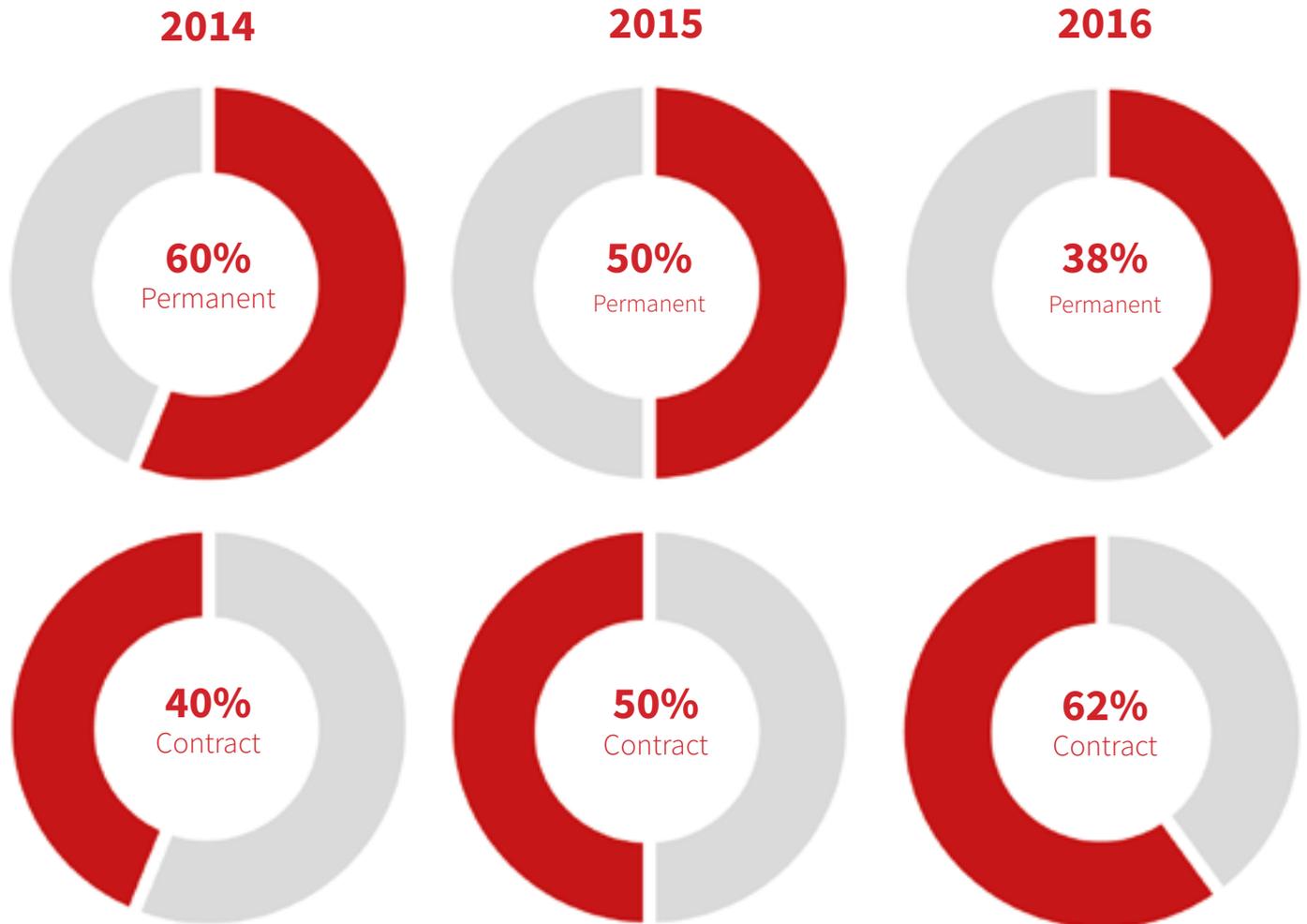
From an innovation perspective, there has been an emergence within the Adaptive / Artificial Intelligence and Robotics space.

AI and Robotics vendors have been invited to RFP’s at an increasing number throughout the last 12 months or so. Clients are looking to hire SME’s (predominately at the engineering and architecture levels) to understand how current systems can be adapted to allow this new technology to be integrated.

The future of financial services as an industry will be deeply impacted by the advancement towards full scale automation. AI could realistically replace core services such as contact centres, and Robotic Process Automation will replace repetitive / manual process jobs. Although likely to be a number of years away from full implementations on global scales, Insurance and Banking firms will be introducing these technologies step by step, due to its significant cost saving implications.

Similarly, Blockchain solutions are also increasing in PoC numbers across the financial services industry. Some banks have already started implementing Blockchain for certain operations, and despite concerns that this decentralised payments system technology / digital ledger does not fall under any given regulation, the ability to encrypt, validate and automate huge volumes of transactions is appealing from a cost perspective.

Recruitment Patterns



We believe this pattern is set to continue in 2017 due to a number of factors:

- Some of the biggest drivers within Regulatory and Change initiatives have specific deadlines attached to them – usually between 12-24 months - therefore hiring a contractor rather than a permanent member of staff is seen as most viable.
- The majority of external IT hires are recruited to compliment current teams with niche, SME level knowledge and highly skilled individuals. These types of profiles tend to be Contractors due to their specialisms.
- A number of our clients are making redundancies. The nature of this means that it is difficult to replace a permanent member of staff with another permanent employee when people have been let go. Clients are therefore forced into hiring Contractors instead.

Contact Us

Established in 1987 and with offices throughout the UK (London, Manchester, Edinburgh) as well as internationally in Dubai and Singapore, McGregor Boyall Associates is one of the UK's leading recruitment firms.

Our core focus is to identify, attract and deliver high quality professionals who can support and enhance their new employer's corporate objectives.

We deliver recruitment solutions against a wide range of permanent, interim and contract requirements but whilst the roles we resource are diverse and changing, our approach remains simple, consistent and successful. In a marketplace in which effectiveness and

value are increasingly prized by both clients and candidates, we believe that the qualities that have sustained our performance in the past will continue to do so in the future.

We have been successful due to the professionalism, sector knowledge and experience of our consultants. It is their commitment to high levels of service and effective delivery that has allowed us to develop a deep, industry-wide

pool of candidates who consistently turn to McGregor Boyall when searching for a new position.

Headquartered in the City of London, and with further offices throughout the UK as well as globally in Dubai and Singapore, we are able to offer recruitment solutions throughout the UK & Europe, Middle East and Asia Pacific regions.

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